

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: KARL KLEIN
DEPUTY ATTORNEY GENERAL**

DATE: JULY 1, 2015

**SUBJECT: IDAHO POWER'S APPLICATION FOR APPROVAL OF LONG-TERM
MAINTENANCE PROGRAM CONTRACT WITH SIEMENS ENERGY,
SALE OF SPARE PARTS INVENTORY TO SIEMENS ENERGY, AND
DEFERRAL OF ASSOCIATED COSTS, CASE NO. IPC-E-15-17**

On June 5, 2015, Idaho Power Company applied to the Commission for an Order approving IPC's: (1) long-term program contract with Siemens Energy for maintenance of IPC's gas plants; (2) sale and transfer to Siemens of \$21.9 million in spare parts for IPC's gas plants; and (3) proposed accounting treatment for the transaction. The Company requests that the Commission process the case under Modified Procedure.

STAFF RECOMMENDATION

Staff recommends that the Application be processed by Modified Procedure with an August 27, 2015 comment deadline and a September 3, 2015 reply deadline. Further, because the Application involves an asset sale, *Idaho Code* § 61-328(2) also requires the Commission to issue a public notice and "conduct a public hearing upon the application." Staff thus recommends that the Commission schedule a September 9, 2015 hearing for the Commissioners to question the parties about the Application and the standards set out in *Idaho Code* § 61-328.¹ The Commission used a similar procedure in Case No. PAC-E-13-06 (Rocky Mountain Power's application to sell hydroelectric plant to St. Anthony Hydro LLC). Idaho Power concurs with this schedule.

¹ Before authorizing a sale of utility property, the Commission must find, under *Idaho Code* § 61-328: (1) that the transaction is consistent with the public interest; (2) the cost of and rates for supplying service will not be increased by reason of such transaction; and (3) the purchaser has the bona fide intent and financial ability to operate and maintain said property in the public service. The utility bears the burden of showing that the standards set out above have been satisfied. *Idaho Code* § 61-328(2). The Commission may approve, reject or condition the transaction's approval on such terms as the public and convenience and necessity may require. *Idaho Code* § 61-328(4).

COMMISSION DECISION

Does the Commission wish to issue an Order setting: an August 27, 2015 comment deadline, a September 3, 2015 reply deadline, and a September 9, 2015 hearing for the Commissioners to question the parties about the Application and the standards set out in *Idaho Code* § 61-328?

Karl Klein

Karl Klein
Deputy Attorney General

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